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Department of State **TELEGRAM**

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TAGS: PFOR, ENRG, EIND, BL

SUBJECT: GULF OIL: CHURCH SUBCOMMITTEE HEARING

1. GULF CHAIRMAN DORSEY TESTIFIED BEFORE CHURCH SUBCOMMITTEE IN OPEN HEARING MORNING OF MAY 16. SENATORS CHURCH, SYMINGTON, CLARK, CASE AND PERCY ATTENDED. READING FROM A PREPARED TEXT, DORSEY TOLD SUBCOMMITTEE THAT A PAYMENT OF $4 MILLION WAS MADE IN SOUTH KOREA IN THE FORM OF CAMPAIGN CONTRIBUTIONS IN 1966 AND 1971. DORSEY THEN LISTED THREE "PAYMENTS" INVOLVING BOLIVIANS: THE LEASE AND SUBSEQUENT PURCHASE OF A HELICOPTER VALUED AT $110,000 FOR PRESIDENT BARRIENTOS, AND PAYMENTS OF $240,000 AND $110,000 "ON DEMAND OF GENERAL BARRIENTOS TO MEMBERS OF HIS POLITICAL PARTY". DORSEY STATED THAT FURTHER INFORMATION ON BOLIVIA

PAYMENTS, I.E., WHEN MADE AND TO WHOM, IS STILL UNDER INVESTIGATION BY THE SPECIAL REVIEW COMMITTEE SET UP BY GULF UNDER U.S. COURT AND S.E.C. ORDER. DORSEY PROMISED TO SUBMIT A COMPLETE REPORT TO THE SUBCOMMITTEE WHEN ITIS FINISHED, WITHOUT INDICATING WHEN THAT MIGHT BE.

2. MOST QUESTIONS BY SUBCOMMITTEE MEMBERS FOCUSSED ON KOREAN PAYMENT. ONLY QUESTIONS ON BOLIVIA PAYMENTS WERE READ BY SENATOR PERCY ON BEHALF OF SENATOR CASE AFTER LATTER HAD DEPARTED. ONE QUESTION WAS WHETHER THE PAYMENTS IN BOLIVIA WERE LEGAL OR ILLEGAL UNDER BOLIVIAN LAW. DORSEY REPLIED THAT HE NOW UNDERSTANDS THEY WERE ILLEGAL. THE SECOND QUESTION WAS HOW MANY PEOPLE IN BOLIVIA WERE AWARE OF THE PAYMENTS AND DORSEY REPLIED THAT HE HAD NO IDEA.

3. BOLIVIAN EMBASSY DCM ARNAL AND PRESS ATTACHE GUMUCIO ALSO ATTENDED HEARING.

4. WASHINGTON RADIO AND WIRE SERVICES ALREADY CARRYING REPORTS ON HEARING. A UPI BULLETIN STATES GOB CABINET NOW IN SESSION TO DISCUSS REPLY TO GULF NOTE TO PRESIDENT WHICH WAS DELIVERED MAY 15. KISSINGER